Loan Applications from Small Scale Industries

1405. SHRI BRATIN SENGUPTA: Will the Minister of FINANCE be pleased to state the number of applications for loan received from small scale industries by the public sectors banks in the country and the amount sanctioned in this regard during the last three years, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM) : The data reporting system of the Reserve Bank of India (RBI) does not generate information in the manner asked for. However, the data relating to number of accounts and amounts outstanding of loans to small scale industrial (SSI) units by the public sector banks as on the last friday of March 1995, March 1996 and March 1997 is as under:

(Rs. crores)
(No. of Accounts in lakhs)

As on last Friday of March	Advances of SSIs	
	No. of Accounts	Amount out standing
1995	32.25	25843
1996	33.17	29482
1997	31.79	31542

Banned MBFCs

1406. SHRIMATI MALTI SHARMA: PROF. RAM KAPSE:

Will the Minister of FINANCE be pleased to state:

(a) the State-wide numbers of non-banking financing companies banned to accept deposits;

(b) the reasons for imposing such a ban; and

(c) the action taken by Government for assuring repayment of deposits so far collected?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM) : (a) As reported by Reserve Bank of India regional office-wise break-up of Non Banking Financing Companies who have been issued prohibitory orders by the Regional Offices of Reserve Bank of India from January to December 31, 1997 prohibiting them from accepting deposits is as under:—

Name of Regional Office	No. of Companies
Calcutta	6
Patna	8
New Delhi	7
Mumbai	3
Hyderabad	2
Channai	1
Kanpur	1

(b) The prohibitory orders had been issued by the Reserve Bank of India (RBI) to Non Banking Financial Company as a measure of punitive action for violation of various provisions of Reserve Bank of India's directions relating to ceiling on quantum of deposits, ceiling on rate of interest, payment of brokerage, maturity period of deposits, maintenance of liquid assets, submission of prescribed returns etc., including default in payment of deposits/ payment of interest on deposits.

(c) In case any Non Banking Financial Company does not refund deposit amount after due date the depositor is required to file an application in the prescribed form with the concerned Regional Bench of the Company Law Board under the provisions of Company Law Board Regulation 1991 and under Section 45 QA of RBI Act. Furthermore

with a view to safeguard the interest of the depositors under the provisions of Section 451B of RBI Act every Non Banking Financial Company is required to invest in unencumbered approved securities, an amount as specified by Reserve Bank of India from time to time and such securities are to be deposited with a scheduled commercial bank.

At present, Non Banking Financial Companies are required to invest in approved securities an amount not less than 12.5 per cent of the amount of public deposits held by them.

Opening of Stock Exchanges on Saturdays

1407. SHRIMATI MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received a communication requesting to keep the stock exchanges open on Saturdays also;

(b) if so, the action taken by Government; and

(c) whether Government have taken any decision in this matter?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Yes, Sir.

(b) and (c) SEBI has informed that the Stock Exchanges are free to fix their trading timings and trading days.

Foreign Exchange Reserves

1408. SHRI K.R. MALKANI: Will the Minister of FINANCE be pleased to state:

(a) how much foreign exchange do we have today;

(b) how much of it is kept in India and how much abroad;

(c) whether keeping our Forex abroad is just permitted by the Reserve Bank Act 1934, or is required by the same;

(d) what proportion of their Forex is kept in other lands by U.K., France, Germany;

(e) whether Government will consider keeping the bulk of our Forex within the country; and

(f) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The position regarding India's foreign exchange reserves, comprising foreign currency assets, gold and Special Drawing Rights (SDRs), as at the end of May, 1998 is as under:

	US $ million (Provisional)
Foreign Currency Assets	25569
Gold	3184
SDRs	4
TOTAL :	28757

(b) to (d) All foreign currency assets, by their very nature, are kept in foreign locations. They are invested abroad in international assets in accordance with the provisions of Sections 17(12), 17(12A), 17(13) and 33(6) of the Reserve Bank of India Act, 1934. The investment of foreign exchange reserves is similar to the practice prevailing in other countries.

(e) and (f) Do not arise.

Effect of Nuclear Tests on Foreign Direct Investment

1409. SHRI JALALUDIN ANSARI: SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether the recent Nuclear test of Pokhran has any reaction from Western countries and foreign financial institutions with regard to foreign direct investment, western aid etc; and

(b) if so, the details thereof and Government's reaction thereto?